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TAGS: [PGOV](#) [PREL](#) [PM](#)  
SUBJECT: PANAMA: A SPEED BUMP AT THE MFA

Classified By: Ambassador Barbara J. Stephenson for  
reason 1.4 (b) and (d)

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Summary  
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11. (C) Next week Vladimir Franco, Director General of Legal and Treaty Affairs in the Panamanian Ministry of Foreign Affairs (MFA), is scheduled to be in Washington to discuss the Perseus V case with U.S. officials. This cable is meant to help Washington officials prepare for this visit, and to alert Washington to recent changes in the operating environment in the MFA. In February of this year 1st VP and FM Samuel Lewis appointed Vladimir Franco to his present position, following the resignation of Iani Quadri, who had held the job since 1999. In addition, Franco serves as one of five Directors General in the MFA, and is one of two who regularly replace the Vice Minister while FM Samuel Lewis travels, effectively sharing the number three slot in the Ministry. This changing of the guard has had a profound impact on the Embassy's day-to-day interactions with the MFA. Franco's office is responsible for reviewing all legal issues, including all dip notes, Temporary Duty Notices (TDNs) that grant U.S. military personnel SOFA-like privileges, and everything relating to treaties, such as the Salas-Becker Agreement (SBA). He is also responsible for negotiations over the possible sale of the old Embassy building in downtown Panama City. While the Embassy continues to enjoy an excellent working relationship with the MFA in general, Franco and his office are now approaching all these issues in a detailed and legalistic manner. Inconsistencies and mistakes which were resolved with a quick phone call under Quadri, such as mistaken language in a TDN dip note, now frequently lead to long delays, and eventually require intervention with Franco's superiors to resolve. While not all of these delays are directly attributable to Franco, he has shown no interest in being helpful in resolving issues, in stark contrast to Quadri. Post also believes that Franco has leaked information on the Perseus V case, to assist lawyers for the sailors who are trying to overturn their convictions by arguing that their arrests violated the Salas-Becker Agreement. Regarding the Salas-Becker Agreement, in a recent meeting with Brad Keiserman, NSC Director of Maritime Threat Reduction and Chief of the U.S. Coast Guard Operations Law Group, and EmbOffs, Franco referred to Panamanian lawyers, "who did not believe the Salas-Becker Agreement was legal, because it went far beyond the original agreement." It was clear to all present that Franco included himself in that group.

12. (C) A member of the governing Revolutionary Democratic Party (PRD) and a civil servant at the MFA, Franco's grandfather founded the Communist Party in Panama, and Franco was educated in the former Soviet Union. He is also a member

of the left-wing faction of the PRD. That said, his attitude toward the U.S. is less that of an anti-American ideologue, then of a Panamanian nationalist, suspicious of U.S. intentions, and annoyed at perceived U.S. prepotency. Franco does not spout anti-American rhetoric, or bang his fist on the table. His weapon of choice is death by a thousand bureaucratic paper cuts. It is his failure to help resolve issues quickly which is proving more inconvenient than anything else. But he will also not let us get any fastballs by him. It should not be assumed that because we have a very close relationship with Panama, and especially with President Torrijos and FM Lewis, that the GOP will agree to anything the USG asks of them. Officials like Franco are distributed throughout the GOP, and slow down or block initiatives they do not like.

13. (C) So why does Franco occupy the position he does? It is likely that in his present position, Franco provides a firewall for FM Lewis, protecting him from accusations from the PRD's nationalist wing that he is too close the U.S. Lewis has presidential ambitions for 2014, and cannot win without the acquiescence, at least, of the PRD's nationalists and leftists. Franco serves as an early warning system, and slows the pace of things down so the MFA can examine the potential political consequences. In the current political environment, Post will have to take care that all USG requests going to the MFA are clean and unambiguous. This may end up being in the interests of both sides, but will require great care in the drafting of the many documents U.S. agencies prepare for the GOP on a regular basis.  
STEPHENSON